

1 A Yes.

2 Q Is that your signature?

3 A Yes.

4 Q We can turn to Bureau Exhibit Number 233. Now, the
5 first page of this is a facsimile to George Sebastian from
6 First American Title Insurance Company of Oregon, and the
7 second page is the sale agreement and receipt for earnest
8 money. Do you see that?

9 A Yes.

10 Q Now, I have a photocopy of the document on page 2.
11 Did you sign the document on page 2 on behalf of National
12 Minority TV?

13 A Yes, I did.

14 Q Are you able to explain why First American Title
15 Insurance Company of Oregon directed a facsimile to George
16 Sebastian at NMTV?

17 A I sent Mr. Sebastian to Portland to bring me back a
18 report on the availability of sites, and I was too busy to go
19 myself and he brought me back a report on three different
20 properties that were available. And so he initially made the
21 contact with the real estate company that in fact followed up
22 with the consummation of the sale. So their initial contact
23 was, was with Mr. Sebastian, although I negotiated the
24 purchase for the, the property.

25 Q Mrs. Duff, we can move on to Bureau Exhibit

1 Number 234. Did you attend this meeting of -- this special
2 meeting of Trinity Christian Center of Santa Anna?

3 A I believe I did.

4 Q Do you know who drafted this document?

5 A Norm Juggert.

6 Q Do you have any, any knowledge as to why you're not
7 identified as having attended it?

8 A You know, I don't have a, a really specific memory
9 of this. I would only have to speculate and I know you don't
10 want me to do that.

11 Q The subject of the meeting is NMTV, isn't it?

12 A Yes.

13 Q Did you ask TBN to take this action?

14 A It might have been even a telephone conversation.
15 I, I rather thing that's what it was, but I'm not absolutely
16 sure.

17 Q Your request might have been in a telephone
18 conversation?

19 A Yes.

20 Q Who would you have requested?

21 A I would have talked to Mr. Crouch and I would have
22 -- This would be like a follow-up of something that we had --
23 we absolutely had to do. And -- But I -- Like I said, I, I
24 can't be absolutely sure. I shouldn't even, you know, say
25 what I'm saying because it's speculation, 'cause I don't have

1 the exact memory.

2 Q We can move on to Bureau Exhibit Number 236. And
3 this is the 1989 annual meeting of the combined boards of TBN,
4 correct?

5 A Yes.

6 Q Was NMTV included at this meeting?

7 A The only way I would know is if, if I would read the
8 document.

9 Q Mrs. Duff, perhaps I can help you out. Paragraph 1
10 of the minutes explains what companies were attending these
11 meeting, and paragraph 2 identifies the persons who were
12 attending the meeting.

13 A NMTV apparently was not a part of this meeting. I
14 don't see it.

15 Q That's right, neither do I. I don't see NMTV
16 identified in the first paragraph. However, in the second
17 paragraph I see that you attended the meeting, as did David
18 Espinoza and Paul Crouch. Do you see that?

19 A Yes.

20 Q Why was David Espinoza at TBN's meeting?

21 A David probably had -- We would have scheduled the
22 NMTV meeting for later on in the day and David would have been
23 there as a courtesy. He was, he was there because he was
24 always interested in the affairs because of the friendship
25 that he, he has had over the years with the board of NMTV and,

1 naturally, Mr. Crouch.

2 Q So you're saying that this meeting lasted only the
3 morning of January 23, 1989?

4 A It could have gone on longer than, than the morning.

5 Q Mrs. Duff, I'd like to direct your attention to
6 Bureau Exhibit Number 237, the next, the next exhibit. And
7 that's the annual meeting of NMTV, held also on January 23,
8 1989. Where was the NMTV meeting held?

9 A It would have been held in another room.

10 Q AT TBN headquarters?

11 A Yes.

12 Q Now, there's no reference to the Houston low-power
13 station in these minutes, is there?

14 A No, I don't see any mention of it.

15 Q Do you know why?

16 A No, sir.

17 Q Was it discussed?

18 A I don't have a recollection of it being discussed.

19 Q It says that the officers and directors were elected
20 to new terms. Had the bylaws been changed? Because I thought
21 the bylaws didn't have terms of office for the officers.

22 A I don't have an answer for that.

23 Q Who prepared these minutes?

24 A Mr. Juggert.

25 Q So Mr. Juggert attended NMTV's meeting on

1 January 23rd, 1989. Did Mr. Juggert also attend TBN's
2 combined meeting on the same date?

3 A Yes.

4 Q Mrs. Duff, I'd like to ask you to look at Bureau
5 Exhibit Number 239. That's a letter from May and Dunne to
6 Paul Crouch at TBN dated February 3, 1989. (Pause) Did you
7 -- Have you looked at it?

8 A Yes.

9 Q Did you see a copy of this letter at the time
10 Mr. Crouch received it?

11 A I'm not sure I did or not. I don't see any cc to
12 me.

13 Q Nor do I. Do you know if Reverend Espinoza received
14 a copy of this letter?

15 A No, I do not.

16 Q Did you have any input as to a retainer agreement
17 with May and Dunne?

18 A I don't believe I did. I left that to Mr. Crouch.

19 Q And Reverend Espinoza had no input, either, into any
20 retainer agreement with May and Dunne?

21 A I, I don't have any knowledge about whether or not
22 Mr. Crouch discussed it with him or not.

23 Q Did Mr. Crouch discuss it at all with you?

24 A I don't remember him discussing it, no.

25 Q Mrs. Duff, can you look at Bureau Exhibit

1 Number 241, please? That's a letter from May and Dunne dated
2 February 15, 1989, and that's directed to you at Trinity
3 Broadcasting Network and NMTV. Do you recall receiving this?

4 A Yes.

5 Q Did you ask Mr. May to prepare this?

6 A Yes, I did.

7 Q Why did you ask him to do so?

8 A Because it was necessary for me to be aware of the
9 work force percentages at all stations since I was responsible
10 for the oversight of the EEO program.

11 Q Do you mean all TBN stations?

12 A Yes.

13 Q Now, this doesn't include CET's stations, does it?
14 Community Educational Television?

15 A No, I guess it doesn't appear to.

16 Q But it does include NMTV's stations?

17 A Yes.

18 MR. TOPEL: Your Honor, can we go off the record for
19 one second?

20 JUDGE CHACHKIN: Yes.

21 (Off the record.)

22 BY MR. SCHONMAN:

23 Q We can move on to Bureau Exhibit Number 242. That
24 appears to be a memo to you, Mrs. Duff, from Diane Macek,
25 M-A-C-E-K.

1 A I'm sorry, I must have the wrong exhibit. What was
2 the number again?

3 Q 242.

4 A 242. I have a memo from a Bill Onyski.

5 JUDGE CHACHKIN: That's the one you want her to look
6 at, right, 242?

7 MR. SCHONMAN: Yes.

8 JUDGE CHACHKIN: To Bill Onyski, O-N-Y-S-K-I, from
9 Ben Miller. Is that the one you want her to look at?

10 BY MR. SCHONMAN:

11 Q Let's go to 243. All right, now, 243 is a memo to
12 yourself from Diane Macek in Personnel. Do you see that?

13 A Yes.

14 Q Is Diane Macek a Trinity employee?

15 A Yes.

16 Q Is this a -- Is the subject of this letter -- Strike
17 that. Does the subject of this letter relate to NMTV stations
18 as well as TBN stations?

19 A Would you repeat the question, please?

20 Q Does the subject of this memo relate to NMTV
21 stations as well as TBN stations?

22 A Yes.

23 Q Bureau Exhibit Number 244, that's the construction
24 permit for NMTV's station at Salt Lake City granted
25 February 28, 1989. Do you recall receiving this?

1 A Yes, sir.

2 Q Was this station constructed?

3 A Yes, sir.

4 Q Do you recall how soon after the grant date it was
5 constructed?

6 A Just as soon as we could get it on the air. I don't
7 remember the details, but there was -- If we didn't get a
8 station on right away, it was because we had some unavoidable
9 delay, such as needing to modify the site or something like
10 that. But without looking at the record, I couldn't tell you
11 for sure exactly when it went on.

12 Q Let's turn to Bureau Exhibit Number 245, Mrs. Duff.
13 This is an office memo dated March 2, 1989, from you to Harold
14 Prentice. Do you see that?

15 A Yes.

16 Q Harold Prentice was the station manager of NMTV's
17 Odessa station?

18 A Yes.

19 Q Why is it that you identify yourself in this
20 interoffice memo as administrative assistant to the president?
21 Is that the position you held at NMTV?

22 A No, sir.

23 Q It's the position you held at the time at TBN?

24 A Yes.

25 Q Why did you identify yourself as such?

1 A I don't know whether -- It was probably an oversight
2 on my part and, and I had a -- at that time, I think I had a
3 new secretary.

4 Q You signed the letter, though. That's your
5 signature?

6 A Yes, I did.

7 Q Bureau Exhibit Number 246, this is a list of LPTV
8 application filings from George Sebastian to Paul Crouch dated
9 March 6, 1989. Was it Mr. Sebastian's routine responsibili-
10 ties to prepare this and submit it to Paul Crouch?

11 A To submit it to, to both of us, yes. And then I
12 would give the information to David, referencing NMTV anyway.

13 Q Bureau Exhibit Number 247 is an application by NMTV
14 for a low-power station in Toledo, Ohio. On page 5 is the
15 signature page. My question is is that your signature?

16 A Yes.

17 Q Mrs. Duff, we can move on to Bureau Exhibit
18 Number 248. I see here that NMTV has its own letterhead. The
19 date of this letter is March 7, 1989. Is that correct?

20 A Yes.

21 Q George Sebastian is writing a letter to Mr. Darrell
22 Miller at Utah Communications in Salt Lake City, and he holds
23 himself out on NMTV letterhead as being the director of LPTV
24 Development. Do you see that? Did -- My question for you is
25 did NMTV have a director of LPTV Development?

1 A No, sir.

2 Q Isn't that more akin to the role he played at TBN?

3 A This is actually Mr. Sebastian's self-imposed title,
4 given to himself.

5 Q He had a number of different titles, didn't he?

6 A He was very creative.

7 Q And you never questioned that, did you?

8 A I thought this man is, you know, he's donating his
9 time, for the most part. I didn't pay him for everything he
10 did for, for National Minority. So once in a while I cut him
11 down, but not, not too hard.

12 Q Let's move on to Bureau Exhibit Number 249. That's
13 a letter from Ben Miller to Colby May dated March 24, 1989,
14 and this letter too is on National Minority Television, Inc.,
15 letterhead. And Ben Miller identifies himself in this letter
16 as director of engineering. And my question to you is did
17 National Minority Television, Inc., have a director of
18 engineering?

19 A No, sir.

20 Q Isn't the position that Ben Miller uses to identify
21 himself here, isn't that position more akin to the position he
22 held at TBN?

23 A Yes, sir.

24 Q Let's move on to Bureau Exhibit Number 251, and
25 that's a, a letter on NMTV stationery from Patricia Saint John

1 Clerke to Mr. Goudy, G-O-U-D-Y, dated April 11, 1989. In
2 April 1989, did NMTV have an Engineering Purchasing
3 Department?

4 A No, sir.

5 Q The title that Ms. Saint John Clerke uses there is a
6 title more akin to the one she holds at TBN, isn't it?

7 A Yes, sir.

8 Q Who is Mr. Goudy, by the way?

9 A I just -- Oh, the name doesn't ring a bell with me.
10 Obviously, it had to do with the tower upgrade, so he was
11 probably a contractor.

12 Q Mrs. Duff, I'd like to switch gears a little bit and
13 direct your attention to your direct testimony, which is TBF
14 Exhibit 101, specifically Tab A, as in apple. And I bring
15 this up now because we are going chronologically and we're now
16 up to April 1989, which is the date of this letter. And this
17 is a letter from you to Colby May dated April 26, 1989, on
18 NMTV stationery. Do you see that?

19 A Yes.

20 Q Why don't you take a moment to look at that letter?

21 (Pause) I'm interested in directing your attention to the
22 third paragraph. It says, "Paul," and I assume that's Paul
23 Crouch?

24 A Yes.

25 Q "Paul and I did not agree on the selling of the

1 permit. He would liked to have built the station, selling it
2 later, but we have too much going on." Now, that refers to
3 the Stafford, Texas, station, correct?

4 A Yes.

5 Q That's actually Houston, correct?

6 A Yes.

7 Q What did you mean in that third paragraph when you
8 said that Mr. Crouch would have preferred to build the station
9 and sell it later?

10 A Well, his idea was that he just didn't want to turn
11 loose of it and he thought that it would be advantageous to
12 have a station built. He could have telethons and I guess he,
13 he thought too at some point in time if it wasn't doing what
14 he wanted, then he could turn around and sell it, if it didn't
15 do what he wanted to do.

16 Q Isn't it a fact, Mrs. Duff, that Mr. Crouch had no
17 intention of operating the station, that the only advantage to
18 building it would be that he could sell it for a higher price
19 than selling a bare permit?

20 A No, he really was upset when he found out that, that
21 I had gone ahead and sold it, because that was what -- His
22 retort to me, "I could have run my telethons 'cause I don't
23 have a TBN telethon in Houston. I could have run my
24 telethons." And that was his response to me.

25 Q Well, if the low-power station could contribute so

1 much in revenues, why would Mr. Crouch have even considered
2 selling it at all at a later date?

3 A I don't know.

4 Q Did you ever ask him?

5 A No.

6 Q Let's turn to Bureau Exhibit Number 252. Do you
7 have that before you, Mrs. Duff?

8 A Yes.

9 Q What is that?

10 A This is a purchase order for the master control and
11 the transmitter monitoring equipment for the Portland station.

12 Q Now, there's a note at the bottom directed to Paul.
13 I assume that's Paul Crouch?

14 A Yes.

15 Q Do you know whose writing that is?

16 A That's Ben's writing, Ben Miller's.

17 Q What involvement did Mr. Crouch have in the
18 construction of the Portland station?

19 A Ben would consult with him periodically on the type
20 of equipment that, that was going to be installed. Mr. Crouch
21 was very knowledgeable about equipment. He's always been
22 interested in equipment purchases. Obviously, he's fronting
23 the money and he has expertise in this area, so he and, and
24 Ben Miller would discuss the purchase of the heavy equipment.

25 Q We're going to move on to a new volume, Volume V of

1 the Bureau's exhibits. And I'd like to direct your attention
2 to Bureau Exhibit Number 253. Mrs. Duff, did NMTV have a
3 legal department or, or a law department?

4 A No.

5 Q Did it have a general counsel?

6 A We would hire on a case-by-case basis any legal
7 assistance we needed.

8 Q Who is Eddie Roush, R-O-U-S-H, Jr.?

9 A He was an attorney that I hired to assist with the
10 tax exemption for the property in Odessa.

11 Q Well, is it your testimony that from time to time
12 NMTV hired these outside attorneys?

13 A Yes.

14 Q On what other occasions did NMTV hire outside
15 attorneys?

16 A If there was a situation that warranted -- If there
17 was a problem. I believe there were two different attorneys,
18 maybe even three different attorneys, that we had to get to
19 assist us with our tax exemption in, in Odessa.

20 Q You authorized him to hold himself out as the
21 company's general counsel?

22 A That's a very broad title that he gave himself.

23 Q In fact, he wasn't the company's general counsel,
24 was he?

25 A Not -- No, he wasn't general counsel. He was hired

1 specifically for the tax exemption.

2 Q Would you turn to page 4 of this document? Near the
3 bottom of the page, paragraph 1.4, it states, "NMTV is quote
4 -- " And I'm not putting in the quote but the actual text
5 uses quotation marks -- "affiliate end quote of Trinity
6 Christian Center of Santa Anna, Inc.," et cetera, et cetera.
7 Do you know what that means, affiliate?

8 A Yeah. We have a programming affiliation with the
9 Trinity Broadcasting Network.

10 Q And that's what that word means in context here?

11 A That's what I would think. I don't know what
12 Mr. Roush thought at the moment, but that's how I would take
13 it.

14 Q Did you review this document before Mr. Roush
15 submitted it?

16 A Yes.

17 Q Did he explain to you why the word "affiliate"
18 happens to be in quotation marks?

19 A No.

20 Q Did you ask him?

21 A No.

22 Q Who else reviewed this document, if you know?

23 A I don't think anybody reviewed it but, but me.

24 Q Now, on page 7 of this document there's a heading
25 which says, "The Beliefs, The Ministry and The Mission of

1 NMTV," and that continues on for several pages. And I believe
2 you've testified that at least one of the major overriding
3 goals of NMTV was to serve minorities, but I've read this and
4 I can't see any reference to that particular goal identified
5 in this document. Do you know why?

6 A I have never been aware of any exempt organization
7 getting a tax exemption for having a minority preference. So
8 that wasn't the focus of this application. We were focusing
9 on what this agency was going to use to base whether or not we
10 were entitled to a tax exemption.

11 JUDGE CHACHKIN: Isn't it a fact that the articles
12 of incorporation for Translator TV, Inc., which the forerunner
13 of Minority, makes no mention of serving minorities? Its sole
14 purpose is religious purposes. Isn't that a fact? You can
15 look at the articles of incorporation. Is there any mention
16 here of minorities, serving minorities, anywhere in that? As
17 a goal of Translator TV, Inc.?

18 MRS. DUFF: Well, I think --

19 JUDGE CHACHKIN: Here's the articles. Now, we're
20 not dealing with the taxes, we're not dealing with the IRS
21 now. We're dealing -- This is the articles of incorporation.
22 Is there anything in there which says anything about serving
23 minorities?

24 MRS. DUFF: Well, Your Honor, I think that just the
25 fact that the ownership of the corporation is minority, this

1 is a demonstration that obviously the minorities that are
2 directors are going to be more concerned about the minority
3 community than a board that was not minority-controlled, and
4 our record shows that.

5 JUDGE CHACHKIN: Isn't it a fact that you've told me
6 that the goal, the overriding goal was to continue the, the
7 ministry of, of, of TBN, of Mr. Crouch? Propagate the faith,
8 you told me, the overriding goal, that was the overriding
9 goal. Is there anything in this article to indicate any other
10 goal besides, besides religious, serving as religion? I see
11 nothing here in the articles of incorporation which says
12 anything about serving minorities. Is there anything in the
13 articles that says -- If that's your goal, how come your
14 articles of incorporation make no mention about serving
15 minorities?

16 MRS. DUFF: Well, the obvious thing is that we are
17 serving minorities and I am a minority woman and David
18 Espinoza's a minority. E. V. Hill's a minority.

19 JUDGE CHACHKIN: You can have all the minorities you
20 want on the board of directors. The fact of the matter is
21 there's nothing there indicating you're serving minorities.
22 And, in fact, you told me that the overriding goal is the same
23 as Reverend Crouch, to propagate the faith. That's the
24 overriding goal of your organization, of NMTV and TBN.
25 There's nothing in, in your articles which says otherwise,

1 | says anything other than the same thing that TBN is.

2 | Now, the fact that you are a minority member -- I
3 | notice that Mr. Crouch is not a minority member, his wife is
4 | not a minority member. And I notice also there are no local
5 | minority members, directors of, of -- in any places where you
6 | set up your stations. Are there?

7 | MRS. DUFF: We have an exemplary --

8 | JUDGE CHACHKIN: That's not the question. Are there
9 | any members of the board of directors who come -- are local
10 | minority members of any of the communities where you have
11 | stations located?

12 | MRS. DUFF: We only have one station where we have
13 | employees, and that station has reached out to the minority
14 | community in an exemplary way. We have a group of minority
15 | employees there that no other station can compare with what we
16 | have done in Portland.

17 | JUDGE CHACHKIN: That's not my question. I'm
18 | talking about as far as directors are concerned, have you have
19 | a single minority director from the local community of Odessa,
20 | any other place where you have a low-power station, your other
21 | place where you had a, a full-power station? Is there a
22 | single minority director from any of those communities?

23 | MRS. DUFF: No, sir.

24 | JUDGE CHACHKIN: Go ahead.

25 | BY MR. SCHONMAN:

1 Q Mrs. Duff, can you turn to page 22 of the -- of
2 Bureau Exhibit Number 253? And at the bottom there's a
3 reference, Exhibit 1.5. That's Exhibit 1.5 of Mr. Roush's
4 submission. Now, this is a list of Trinity Broadcasting full-
5 power station, and the third station from the bottom is
6 station KLUJ Channel 44 in Harlingen, Texas, correct?

7 A Yes.

8 Q Isn't that a CET station?

9 A Yes.

10 Q Community Educational Television?

11 A That's correct.

12 Q We can turn to Bureau Exhibit Number 255. This is a
13 purchase order?

14 A Yes, sir.

15 Q Dated May 15, 1989, requisitioned by Ben Miller.
16 And I see that it's on a Trinity Broadcasting form, although
17 the word "Trinity Broadcasting" is crossed out and someone has
18 written in National Minority TV. Do you know who crossed out
19 Trinity Broadcasting and wrote in National Minority TV?

20 A No.

21 Q By this time, however, National Minority had its own
22 forms, correct?

23 A Yes.

24 Q Do you know when that was crossed out?

25 A No, sir.

1 Q Let's move on to Bureau Exhibit Number 256. That's
2 an action by written consent of NMTV from May 1989. And I
3 take it from this document that by this time the board of NMTV
4 had decided to sell the Odessa station?

5 A Yes.

6 Q Why was the decision made to sell the Odessa
7 station?

8 A Because we were not able to get cable carriage and
9 the donations had not met the requirements. They were not
10 meeting the requirements of the station.

11 Q Now, Paul Crouch had wanted to sell the Odessa
12 station all along, hadn't he?

13 A Yes.

14 Q I see then that he had -- he prevailed over the
15 other members of the board at long last?

16 A We were in --

17 MR. TOPEL: I would object to that.

18 JUDGE CHACHKIN: Well, he prevailed over --

19 MR. TOPEL: There's no predicate.

20 MR. SCHONMAN: Well, I think the witness has
21 testified --

22 MR. TOPEL: The question --

23 MR. SCHONMAN: -- that she and Reverend Espinoza
24 opposed it.

25 MR. TOPEL: The question implies that those were the

1 wishes of the board at, at this -- that there was a difference
2 in the wishes at the time this, this resolution was adopted.

3 BY MR. SCHONMAN:

4 Q At the time you signed this action by written
5 consent, you had decided to sell the station, Mrs. Duff?

6 A Yes. David and I were in total concurrence with
7 Mr. Crouch at this particular time because we had -- At that
8 point, all of us realized that -- wasn't going to happen
9 within time enough to do us any good, and we had already
10 become aware of another opportunity that presented itself to
11 us. I'm not positive if it was Concord, but there was at
12 least some station that we were thinking about acquiring that
13 was in a much larger market.

14 JUDGE CHACHKIN: Do you, do you have your own
15 testimony on page 4 of your testimony?

16 MR. SCHONMAN: Your Honor, what page?

17 JUDGE CHACHKIN: Page 4 and 5. Where you referred
18 to Pastor Espinoza, saying he thought the minority community
19 the station served should be given further opportunity to see
20 the station. This is 19 -- October 1988 when you went on the
21 air.

22 MRS. DUFF: I'm sorry, sir, I'm not -- I don't know
23 what page you are --

24 JUDGE CHACHKIN: I'm referring to page 4 and 5 and
25 -- Well, let's look at page -- starting at page 4, paragraph

1 -- subparagraph B. This is now June 1987 when you, you and
2 Reverend Espinoza, Pastor Espinoza, overrode -- refused to
3 go --

4 (Gap)

5 JUDGE CHACHKIN: -- Pastor Espinoza agreed with me
6 that -- and stressed that the Odessa area had many Hispanics
7 that deserved to be served." Now, this is June of 1987. See
8 that?

9 MRS. DUFF: Yes.

10 JUDGE CHACHKIN: October 1988 when the station went
11 on the air, you say "In December 1988 Dr. Crouch tried again
12 to persuade Pastor Espinoza and me to sell the station. We
13 again rejected his proposal. Again Pastor Espinoza said he
14 thought that the minority community the station serves should
15 be given further opportunity to see the station, to see the
16 station." Do you see that?

17 MRS. DUFF: Yes.

18 JUDGE CHACHKIN: All right, this is now October
19 1988. December 1988, now, less than six months later, you
20 have now agreed -- The station's only been on the air now
21 since October 1988, less than a year has gone by, and now
22 you've agreed with Reverend Crouch to sell the station. Now,
23 under your own testimony you said that the station should be
24 given a chance to, to see if it could make the goal. Now,
25 what happened in the five or six months between December of,

1 of 1988 and May of 1989, whereby you no longer felt that
2 Odessa needed and, and deserved the station, particularly the
3 Hispanics in the area? What happened in that five-month
4 period?

5 MRS. DUFF: The thing that I had tried to accomplish
6 was to get the assistance of a local -- not local, but a
7 person that I was familiar with, an affiliate that had been
8 carrying Trinity's programs for many years. His name is Al
9 Cooper. And he had told me that he would personally go to the
10 cable systems and see if he could just sit down at the desk
11 with them and, and negotiate for the cable systems to pick us
12 up. He was not successful in doing that and I was in
13 communication with him all these months. And he worked on it
14 and finally told me that he didn't think that he was going to
15 be able to, to get them to carry the station.

16 And by the time we got to the point where we decided
17 that we weren't really getting enough revenues, because I was
18 concerned about not being able to have local programming
19 because that was in our focus, that David and I wanted to have
20 local programming, the funds were not there to provide the
21 money to build a studio or to buy the cameras and to buy the
22 equipment and to hire additional staff to do the production.

23 And during this period of time Mr. Cooper, as he was
24 traveling back and forth to Odessa, decided that he might be
25 interested in actually owning the Odessa station and he let me

1 know that he thought that he could operate it himself.

2 Because he himself was an engineer, that he could operate it
3 more economically than NM, NMTV could. So not only did we
4 have an opportunity for a larger market, we actually had
5 somebody that was going to purchase the station and that
6 person was going to continue the programming on the station.

7 So, therefore, the sting had been removed. In other
8 words, we weren't going to be a total failure. The
9 programming was going to continue in the area and Mr. Cooper
10 would be able to provide local programming, which, which he
11 has -- I believe he's done that. So he is today the owner of
12 that station. The station didn't go dark. It is now in
13 existence and now it does have cable carriage because,
14 obviously, the must carry rules were, were, were passed and
15 that station is being carried on cable.

16 So I think this is, you know, it really is a success
17 story. It's not a failure.

18 JUDGE CHACHKIN: Well, but the fact of the matter is
19 you, you made much of the fact that you disagreed with
20 Reverend Crouch's proposal to dispose of the construction
21 permit.

22 MRS. DUFF: We actually --

23 JUDGE CHACHKIN: You know if you dispose of a
24 construction permit, you don't receive any -- You don't make
25 any money if you dispose of a construction permit. All you're

1 | entitled to is your expenses.

2 | MRS. DUFF: Well, we --

3 | JUDGE CHACHKIN: You're aware of that, of course?

4 | MRS. DUFF: Yes, sir.

5 | JUDGE CHACHKIN: And what were your expenses? How
6 | much had you paid for your construction permit? For your
7 | assignment of the construction permit?

8 | MRS. DUFF: We paid \$12,500, but in the end, we did
9 | not sell the station for what we wanted to sell it for.
10 | Mr. Cooper was not able to negotiate the offer that he first
11 | -- that we first discussed. We had to cut the price, and I
12 | don't want to go into too much detail at this point but we
13 | didn't end up making a profit. I guarantee you the record
14 | shows --

15 | JUDGE CHACHKIN: What, what did you sell it for?
16 | This says less than a million dollars. For a sum that shall
17 | not be less than \$1 million.

18 | MRS. DUFF: We were not able to negotiate the sale
19 | at that time, it occurred quite a bit later. But we did not
20 | make a profit on the station.

21 | JUDGE CHACHKIN: But despite your statements and
22 | Reverend Espinoza's statements of how important it was to
23 | serve the Hispanics and the minorities, less than five months
24 | after you had received your permit -- Not your permit, you,
25 | you went on the air -- you were prepared to go along and sell